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DEPARTMENT OF COMMERCE

International Trade Administration

[C-580-888]

Certain Carbon and Alloy Steel Cut-to-Length Plate from the Republic of Korea: Final Results and Partial Rescission of Countervailing Duty Administrative Review, 2017

AGENCY: Enforcement and Compliance, International Trade Administration, Department of Commerce.

SUMMARY: The Department of Commerce (Commerce) determines that POSCO, a producer and/or exporter of certain carbon and alloy cut-to-length plate (CTL plate) from the Republic of Korea (Korea), received net countervailable subsidies during the period of review (POR), April 4, 2017 through December 31, 2017.

DATES: Applicable [INSERT DATE OF PUBLICATION IN THE *FEDERAL REGISTER*].

FOR FURTHER INFORMATION CONTACT: Bob Palmer or Jinny Ahn, AD/CVD Operations, Office VIII, Enforcement and Compliance, International Trade Administration, U.S. Department of Commerce, 1401 Constitution Avenue, NW, Washington, DC 20230; telephone: (202) 482-9068 and (202) 482-0339, respectively.

SUPPLEMENTARY INFORMATION:

Background

On July 17, 2019, Commerce published the *Preliminary Results* of this administrative review in the *Federal Register*, and invited interested parties to comment.¹ On September 18,

¹ See *Certain Carbon and Alloy Steel Cut-to- Length Plate From the Republic of Korea: Preliminary Results of*

2019, Nucor Corporation (Nucor) submitted pre-verification comments on the record of this administrative review.² Between September 23, 2019 and September 27, 2019, we conducted verifications of the questionnaire responses submitted by POSCO and the Government of Korea (GOK). We released verification reports on November 13, 2019.³ On October 10, 2019, Commerce postponed the final results of review by 57 days until January 10, 2020.⁴ On December 2, 2019, Nucor, POSCO, and the GOK submitted timely case briefs.⁵ Nucor and POSCO also submitted timely rebuttal briefs on December 9, 2019.⁶

Scope of the Order

The products covered by the order are certain carbon and alloy steel hot-rolled or forged flat plate products not in coils, whether or not painted, varnished, or coated with plastics or other non-metallic substances from the Republic of Korea. Products subject to the order are currently classified in the Harmonized Tariff Schedule of the United States (HTSUS) under item numbers: 7208.40.3030, 7208.40.3060, 7208.51.0030, 7208.51.0045, 7208.51.0060, 7208.52.0000, 7211.13.0000, 7211.14.0030, 7211.14.0045, 7225.40.1110, 7225.40.1180,

Countervailing Duty Administrative Review and Intent To Rescind the Review, in Part; 2017, 84 FR 34123 (July 17, 2019) (*Preliminary Results*), and accompanying Preliminary Decision Memorandum (PDM).

² See Nucor's Letter, "Comments Regarding Verification of POSCO's Questionnaire Responses," dated September 18, 2019.

³ See Memoranda, "Verification of the Questionnaire Responses of POSCO" and "Verification of the Questionnaire Responses of the Government of the Republic of Korea," dated November 13, 2019.

⁴ See Memorandum, "Extension of Deadline for Final Results of Countervailing Duty Administrative Review," dated October 10, 2019.

⁵ See Nucor's Letter, "Certain Carbon and Alloy Steel Cut-to-Length Plate from the Republic of Korea: Case Brief," dated December 2, 2019; POSCO's Letter, "Certain Carbon and Alloy Steel Cut-to-Length Plate from the Republic of Korea, Case No. C-580-888: POSCO's Case Brief," dated December 2, 2019; and GOK's Letter, "Certain Carbon and Alloy Steel Cut-to-Length Plate from the Republic of Korea, 04/04/2017-12/31/2017 Administrative Review, Case No. C-580-888: Case Brief of the Government of Korea," dated December 2, 2019.

⁶ See Nucor's Letter, "Certain Carbon and Alloy Steel Cut-to-Length Plate from the Republic of Korea: Rebuttal Brief," dated December 9, 2019; and POSCO's Letter, "Certain Carbon and Alloy Steel Cut-to-Length Plate from the Republic of Korea, Case No. C-580-888: POSCO's Rebuttal Brief," dated December 9, 2019.

7225.40.3005, 7225.40.3050, 7226.20.0000, and 7226.91.5000. Although the HTSUS subheadings are provided for convenience and customs purposes, the written description of the merchandise subject to this scope is dispositive.

A full description of the scope of the order is contained in the Issues and Decision Memorandum, which is hereby adopted by this notice.⁷

Analysis of Comments Received

All issues raised in interested parties' case and rebuttal briefs are addressed in the Issues and Decision Memorandum. A list of the issues raised by interested parties and to which we responded in the Issues and Decision Memorandum is provided in the Appendix to this notice. The Issues and Decision Memorandum is a public document and is on file electronically via Enforcement and Compliance's Antidumping and Countervailing Duty Centralized Electronic Service System (ACCESS). ACCESS is available to registered users at <https://access.trade.gov> and to all parties in the Central Records Unit, room B8024 of the main Commerce building. In addition, a complete version of the Issues and Decision Memorandum can be accessed directly on the internet at <http://enforcement.trade.gov/frn/index.html>. The signed and electronic versions of the Issues and Decision Memorandum are identical in content.

Changes Since the Preliminary Results

Based on the comments received from the interested parties, we made changes to the net subsidy rate calculated for the mandatory respondent. For a discussion of these issues, *see* the Issues and Decision Memorandum.

⁷ See Memorandum, "Issues and Decision Memorandum for the Final Results of the Countervailing Duty Administrative Review: Certain Carbon and Alloy Steel Cut-to-Length Plate from the Republic of Korea; 2017," dated concurrently with this notice (Issues and Decision Memorandum).

Methodology

Commerce conducted this review in accordance with section 751(a)(1)(A) of the Tariff Act of 1930, as amended (the Act). For each of the subsidy programs found to be countervailable, we find that there is a subsidy, *i.e.*, a financial contribution from a government or public entity that gives rise to a benefit to the recipient, and that the subsidy is specific.⁸ For a full description of the methodology underlying all of Commerce's conclusions, *see* the Issues and Decision Memorandum.

Partial Rescission of Administrative Review

In the *Preliminary Results*, Commerce announced its intent to rescind the review of Hyundai Steel Company (Hyundai) based on Hyundai's certified claim of no shipments of subject merchandise during the POI, as confirmed with U.S. Customs and Border Protection (CBP).⁹ No interested party submitted comments on Commerce's intent to rescind the review of Hyundai. Because there is no evidence on the record to indicate that Hyundai had entries, exports, or sales of subject merchandise to the United States during the POR, we are rescinding the administrative review of Hyundai pursuant to 19 CFR 351.213(d)(3).¹⁰

Companies Not Selected for Individual Review

Commerce calculated an individual estimated net countervailable subsidy rate for POSCO, the only individually examined exporter/producer in this investigation. Because the only individually calculated rate is not zero, *de minimis*, or based entirely under section 776 of

⁸ *See* sections 771(5)(B) and (D) of the Act regarding financial contribution; section 771(5)(E) of the Act regarding benefit; and section 771(5A) of the Act regarding specificity.

⁹ *See Preliminary Results*, 84 FR at 34124; and PDM at 4.

¹⁰ *See* Issues and Decision Memorandum for further discussion.

the Act, the estimated net countervailable subsidy rate calculated for POSCO is the rate assigned to all other producers and exporters not selected for individual review. This is consistent with the methodology used in an investigation to establish the all-others rate, pursuant to section 705(c)(5)(A) of the Act.

Final Results of Administrative Review

We determine that, for the period of April 4, 2017 through December 31, 2017, the following total net countervailable subsidy rates exist:

Company	Net Countervailable Subsidy Rate (percent <i>ad valorem</i>)
POSCO ¹¹	0.50
BDP International	0.50
Blue Track Equipment	0.50
Boxco	0.50
Bukook Steel Co., Ltd.	0.50
Buma CE Co., Ltd.	0.50
Daelim Industrial Co., Ltd.	0.50
Daesam Industrial Co., Ltd.	0.50
Daesin Lighting Co., Ltd.	0.50
Daewoo International Corp.	0.50

¹¹ Commerce has determined the following companies to be cross-owned with POSCO: POSCO Chemtech, POSCO Nippon RHF Joint Venture Co., Ltd., POSCO Processing & Service, Pohang Scrap Recycling Distribution Center, and POSCO M-Tech. See *Preliminary Results*, 84 FR at 34124; and PDM at 11.

Dong Yang Steel Pipe	0.50
Dongkuk Industries Co., Ltd.	0.50
Dongkuk Steel Mill Co., Ltd.	0.50
Dongbu Steel Co., Ltd.	0.50
EAE Automotive Equipment	0.50
EEW KHPC Co., Ltd.	0.50
Eplus Expo Inc.	0.50
GS Global Corp.	0.50
Haem Co., Ltd.	0.50
Han Young Industries	0.50
Hyosung Corp.	0.50
Jinmyung Fricttech Co., Ltd.	0.50
Korean Iron and Steel Co., Ltd.	0.50
Kyoungil Precision Co., Ltd.	0.50
Samsun C&T Corp.	0.50
SK Networks Co., Ltd.	0.50
Steel N People Ltd.	0.50
Summit Industry	0.50
Sungjin Co., Ltd.	0.50
Young Sun Steel	0.50

Disclosure

Commerce intends to disclose the calculations performed for these final results of review within five days of the date of publication of this notice in the *Federal Register*, in accordance with 19 CFR 351.224(b).

Assessment Rate

Pursuant to 19 CFR 351.212(b)(2), Commerce intends to issue assessment instructions to CBP 15 days after publication of the final results of this review. We will instruct CBP to liquidate shipments of subject merchandise produced and/or exported by the companies listed above, entered, or withdrawn from warehouse for consumption, from April 4, 2017 through December 31, 2017, at the *ad valorem* rates listed.

Cash Deposit Requirements

The following cash deposit requirements will be effective upon publication of the notice of final results of this administrative review for all shipments of the subject merchandise entered, or withdrawn from warehouse, for consumption on or after the date of publication, as provided by section 751(a)(2)(C) of the Act: (1) the cash deposit rate for the companies listed in these final results will be equal to the subsidy rates established in the final results of this review; (2) for all non-reviewed firms, we will instruct CBP to continue to collect cash deposits at the most recent company-specific or all-others rate applicable to the company, as appropriate. These cash deposit requirements, when imposed, shall remain in effect until further notice.

Notification Regarding Administrative Protective Order

This notice also serves as a reminder to parties subject to administrative protective order (APO) of their responsibility concerning the disposition of proprietary information

disclosed under APO in accordance with 19 CFR 351.305(a)(3), which continues to govern business proprietary information in this segment of the proceeding. Timely written notification of the return or destruction of APO materials, or conversion to judicial protective order is hereby requested. Failure to comply with the regulations and the terms of an APO is a sanctionable violation.

These final results are issued and published in accordance with sections 751(a)(1) and 777(i)(1) of the Act and 19 CFR 351.221(b)(5).

Dated: January 10, 2020.

Jeffrey I. Kessler,
Assistant Secretary
for Enforcement and Compliance.

Appendix

List of Topics Discussed in the Issues and Decision Memorandum

- I. Summary
- II. Background
- III. Partial Rescission of Administrative Review
- IV. Scope of the Order
- V. Rate for Non-Examined Companies
- VI. Subsidies Valuation Information
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- VIII. Analysis of Programs
- IX. Discussion of Comments
 - Comment 1: Whether Commerce Should Apply Adverse Facts Available for Industrial Technology Innovation Promotion Act Grants Received During the Average Useful Life Period
 - Comment 2: Whether Tax Deductions Under Restriction of Special Taxation Act Article 10-2 Are Countervailable
 - Comment 3: Whether Tax Credits Under Article 57 of the Corporate Tax Act Are Countervailable
- X. Recommendation

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